



**Ninety-Eighth Legislature - Second Session - 2004**  
**Committee Statement**  
**LB 397**

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**Hearing Date:** March 6, 2003

**Committee On:** Revenue

**Introducer(s):** (Redfield, Mines)

**Title:** Change the sales tax rate and tax certain services

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**Roll Call Vote – Final Committee Action:**

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

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**Vote Results:**

7	Yes	Senators Baker, Bourne, Hartnett, Janssen, Landis, Raikes and Redfield
0	No	
0	Present, not voting	
1	Absent	Senator Connealy

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**Proponents:**

Senator Pam Redfield  
Senator Chip Maxwell

**Representing:**

Introducer

**Opponents:**

Keith Brown  
Jo Dee Adelung  
Thomas O'Neill

Howard Shrier  
Ron Jensen  
Ron Sedlacek

William E. Peters  
Scott Moore  
Steve Nelson  
James E. Gordon  
Larry Ruth

Jim Cunningham  
Roger Keetle  
Walt Radcliffe

**Representing:**

Lincoln Electric System and NE Power Assn.  
Temps, Inc.  
Association of Independent Colleges &  
Universities of Nebraska  
Pappas Telecasting Companies  
NE Assn. of Homes & Services for the Aging  
State Chamber, Omaha Chamber, Nebraska  
Bankers and NFIB  
Burlington Northern Santa Fe Railroad  
Bozell and Jacobs  
Nebraska Farm Bureau  
DeHart & Darr Assoc., Direct Marketing Assn.  
Lincoln Airport Authority, Nebraska Press Assn.,  
Nebraska State Bar Assn., NE Airport Operators  
Nebraska Catholic Conference  
Nebraska Hospital Association  
NE CPAs, Motion Picture, NE Broadcasters

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**Neutral:**  
Richard Hedrick

**Representing:**  
Himself

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**Summary of purpose and/or changes:**

LB 397 would have greatly expanded the sales tax base and reduced the rate to 2.8 percent. Section 77-2703 would have been changed to make the assessment of the tax generally applicable to sales of both goods and services. As a result, many of the specific inclusions of services were struck by the bill. Also twenty sections of sales tax exemptions were repealed outright and a new exemption added for the provision of health care services. Final consumption of goods and services were generally taxable except for food and health care. Business purchases that did not go into the final product of the business would also have been subject to the sales tax.

**Explanation of amendments, if any:**

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**Senator David Landis, Chairperson**